

Little Owls Nurseries Review

Date: 19th June 2024

Report of: Director of Children and Families

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Little Owls is a day care provision delivered by the Council for children aged 3 months to 5-years old. Currently, there are 24 Little Owls Nurseries at various locations across the city.

In 2022/23 the Council provided a budget of £1,935,000 for the provision of Little Owls but the allocated budget was overspent. The outturn position for 2022/23 reflected an overspend by £1,969,000, giving a total annual cost in 2022/23 of £3,904,000. In 2023/24, a reduced overspend of £841,000 has been reported, linked to work to improve the financial position.

As the financial position of Leeds City Council becomes increasingly challenging, Little Owls current ongoing deficit, exacerbated by the Covid pandemic has come under additional scrutiny and has stimulated a full business review.

The legislative context regarding sufficiency has informed these current proposals. Local Authorities have, by way of the Childcare Act 2006 and the Childcare Act 2016, a duty to secure sufficient childcare to ensure parents can work/train. This does not mean the Council has to provide it themselves but must ensure that it is in place.

The Council can deliver childcare if no other provider is willing to or, where another provider is willing, it is deemed appropriate due to circumstances for the local authority to be the provider instead.

The findings of this review, based upon current operating arrangements are that there are three blocks of Council directly provided daycare settings across the city:

- Those that the Council could potentially withdraw from and/or close in a short time frame as it is deemed there are sufficient places in the area.
- Those that the Council could potentially withdraw from once it had explored the potential of amalgamation of some Little Owls settings and to further explore potential and viable interest from other providers, via a 'market sounding exercise' to deliver and identified alternative providers (such as schools, private or 3rd Sector).
- Those settings the Council should continue to run at this time to address significant issues relating to the insufficiency of places for children with SEND (Special Educational Needs and Disabilities) and ensure there are places available for the most vulnerable children in the city.

In addition to the three categories outlined above there is the potential that a consolidation of staffing and operating resource across any retained nurseries will provide opportunities to enhance the financial viability of those nurseries due to the ability to address significant issues of recruitment and retention which also affects the number of children who can be accommodated at individual locations.

Recommendations

Executive Board is recommended to:

- a) Note in general terms, the contents of this report
- b) Note that the Council will continue to directly deliver day care at the following Little Owls settings;
 - Chapeltown
 - New Bewerley
 - Little London
 - Harehills
 - Swarcliffe
 - Seacroft
 - Middleton Laurel Bank
 - Two Willows
 - Armley Moor
- c) Note the consultation and engagement responses in relation to the proposal and having had regard to them to approve the withdrawal from and/or closure of Little Owls Gipton North, Little Owls Chapel Allerton and Little Owls Kentmere.
- d) Subject to c) above, where possible and noting ancillary use, declare the buildings surplus to operational requirements following the closedown of Little Owls functions.
- e) Note the initial consultation and engagement responses in relation to the proposal to explore the potential amalgamation of some Little Owls settings and to explore potential and viable interest from other providers, and to agree a 'market sounding exercise' to deliver additional nursery places to replace specific Council run settings at the following locations:
 - Shepherds Lane
 - Meanwood
 - St Mary's Hunslet
 - Hawksworth Wood
 - City & Holbeck
 - Parklands
 - Quarry Mount
 - Bramley
 - Hunslet Rylestone
 - Osmondthorpe
 - Rothwell
 - Burley Park
- f) Agree the subsequent 'market sounding exercise' in relation to the settings set out in e) above and to note that those 'market sounding exercises' will commence immediately.
- g) Note that the Director of Children and Families, may take further decisions in respect of the settings listed at e) above following the market sounding exercise for the twelve settings indicated as a direct consequence of this decision.

What is this report about?

- 1 Little Owls is a day care provision delivered by the Council for children aged 3 months to 5-year-olds.
- 2 The historical purpose of Leeds Early Years Centres – now branded as Little Owls was to provide free and subsidised high-quality childcare to children in areas of high deprivation however this does not align to the Council's statutory obligation as set out in 12 below.
- 3 Until the end of 2022 there were 28 settings across the city, predominantly in areas of high deprivation or where there is/has been a gap in the private provider market.
- 4 As the financial position of Leeds City Council becomes increasingly challenging, Little Owls current ongoing deficit, exacerbated by the Covid pandemic has come under additional scrutiny and has stimulated a full business review.
- 5 Following the initial phase of the review at the end of 2022 the amalgamation of 9 settings into 5 took place. The settings were in proximity of each other and, therefore, this resulted in business efficiencies without reducing a service to children and families. The amalgamations

were completed in April 2023 delivering a saving of approximately £100k in-year for 2022/23 and a further £239k in 23/24.

- 6 There are 24 Council run nurseries remaining for which the Council provided a budget of £1,935,000 in 2022/23 but the allocated budget was overspent. The outturn position for 2022/23 reflected an overspend by £1,969,000, giving a total annual cost in 2022/23 of £3,904,000. In 2023/24, a reduced overspend of £841,000 has been reported, linked to work to improve the financial position.
- 7 As the Council's financial challenge is now critical the second phase of the Little Owls business review must consider the legislative context as well as budgetary.
- 8 To undertake this initial review a cross-directorate project team has been established to work through the detail of the proposals and drive forward the development and delivery plan over the next 12 months. This has representatives from service delivery, commissioning and marketing, performance, sufficiency and participation, finance, human resources, procurement, asset management and commercial services.
- 9 The project team have developed a proposed funding formula for the current Little Owls nurseries which uses deprivation, maximum capacity of each setting, non-take up of 2 yr. FEEE (Free Early Education Entitlement) places, numbers of children in the local area subject to a CIN (Child in Need) / CP (Child Protection) plan and numbers of children who have become looked after by the authority to allocate the core budget, which is currently £1.9 million.
- 10 Moving forwards, this funding formula could be adopted to ensure consistency in allocation of any future core funding for settings the Council continues to deliver.
- 11 In addition to the funding formula, the legislative context has informed these current proposals. Local Authorities have, by way of the Childcare Act 2006 and the Childcare Act 2016, a duty to secure sufficient childcare to ensure parents can work/train. This does not mean the Council has to provide it themselves but must ensure that it is in place.
- 12 The Council can deliver childcare if no other provider is willing to or, where another provider is willing, it is deemed appropriate due to circumstances for the local authority to be the provider instead.
- 13 Each setting has been considered individually looking at sufficiency, deprivation, SEND, its co-location with other services, the population, and demographics of the area. All factors were considered when reviewing which setting to explore for withdrawal of provision and which to keep. Sufficiency was the overriding factor as to whether provision could be withdrawn.
- 14 The findings of this initial review, based upon current operating arrangements are that there are three blocks of Council directly provided daycare settings across the city:
 - o Little Owls settings the Council could potentially consider withdrawal (withdrawal could mean that alternative providers deliver provision in the future) from and/or closure of in a short timeframe considering the factors set out above.
 - o Little Owls settings the Council could potentially consider for potential amalgamation and to consider potential and viable interest from alternative providers (such as schools, voluntary or independent sector or private providers) that could increase their capacity in the area to ensure sufficiency requirements are maintained and in consideration of the factor above. This will be undertaken via a 'market sounding exercise'.

- Little Owls settings the Council should continue to run at this time to address significant issues relating to the insufficiency of places for children with SEND and ensure there are places available for the most vulnerable children in the city.

15 Of the 24 nurseries, the findings of the initial review have led to the recommendations to consider potential withdrawal and/or closure of provision at 3 nurseries (withdraw), to consider amalgamation or alternative provision at 12 nurseries once we are confident of sufficiency in the area (explore) and maintain provision in 9 nurseries (keep). The breakdown of this is shown below.

Wedge	Planning Area	Ward	Setting Name	Category
East North East (ENE)	Chapel Allerton	Chapel Allerton	Chapel Allerton	Withdrawal
	Chapel Allerton	Chapel Allerton	Chapelton	Keep
	Meanwood	Chapel Allerton	Meanwood	Explore
	Harehills	Gipton & Harehills	Harehills	Keep
	Harehills	Gipton & Harehills	Shepherds Lane	Explore
	Harehills	Gipton & Harehills	Gipton North	Withdrawal
	Seacroft	Killingbeck & Seacroft	Kentmere	Withdrawal
	Seacroft	Killingbeck & Seacroft	Parklands	Explore
	Seacroft	Killingbeck & Seacroft	Seacroft	Keep

South East (SE)	Beeston	Beeston & Holbeck	Two Willows	Keep
	Holbeck	Hunslet & Riverside	City & Holbeck	Explore
	Holbeck	Hunslet & Riverside	New Beverley	Keep
	Hunslet	Hunslet & Riverside	St Mary's	Explore
	Hunslet	Hunslet & Riverside	Rylestone	Explore
	Middleton	Middleton Park	Middleton Laurel Bank	Keep
	Osmondthorpe / Temple Newsam	Burmantofts & Richmond Hill	Osmondthorpe	Explore
	Rothwell	Rothwell	Rothwell	Explore
	Swarcliffe / Whinmoor	Crossgates & Whinmoor	Swarcliffe	Keep

West North West (WNW)	Armley / Wortley	Armley	Armley Moor	Keep
	Bramley	Bramley and Stanningley	Bramley	Explore
	Kirkstall / Burley / Hawksworth	Kirkstall	Burley Park	Explore
	Kirkstall / Burley / Hawksworth	Kirkstall	Hawksworth Wood	Explore
	Woodhouse	Little London & Woodhouse	Little London	Keep
	Woodhouse	Headingley & Hyde Park	Quarry Mount	Explore

Case for withdrawal and/or closures

16 There is a recommendation to consider withdrawal from and/or closure of three Little Owls settings as follows:

17 **Chapel Allerton Little Owls** relies on significant levels of financial subsidy to remain operational within its current funding model and is therefore not financially viable in its current form. This financial, in large part due to staffing and recruitment issues and the resultant restriction in the number of childcare places that could be made available. The nursery is located within an area well served by a mix of private childminders and private sector childcare settings offering places all year round to children aged 0-4, including FEEE places for

disadvantaged 2-year-olds and 3–4-year-olds. Chapel Allerton is also in the same Childcare Planning Area (CPA) as Little Owls Chapeltown, which is located 1.3 miles away.

Recent analysis undertaken by the Sufficiency and Participation team has determined that there is enough capacity and choice available at other childcare providers within the vicinity of Chapel Allerton Little Owls to absorb all the additional demand for places elsewhere that would be created because of the closure of Chapel Allerton. It was also noted that, as is the case nationally, regionally and across most areas of Leeds, the birthrate in the Chapel Allerton CPA has declined in recent years, resulting in a reduction in projected demand for childcare places in future years. Overall, from a sufficiency perspective, closure of this nursery would be considered low risk.

In comparison with the other 23 Little Owls nurseries, the children on roll at Chapel Allerton are significantly less likely to live in areas of high deprivation, have SEND or be CLA. However, the setting itself is located within Chapel Allerton, which is a priority ward and is an area of high deprivation. Meeting the needs of the local demographics are childminders, school nurseries, and several high quality private, voluntary, and independent sector childcare providers (PVI). In addition, the nearby Ofsted rated 'Outstanding' provision at Little Owls Chapeltown would help to ensure that the Child Friendly Leeds ambition of giving children the best start in life, providing a safe and supportive environment for children at risk of child protection issues and supplying sufficient, high quality childcare places for all children, particularly those with SEND, is still met if Chapel Allerton closes.

Should Chapel Allerton Little Owls proceed to a closure all children currently provided for there could be accommodated at Little Owls Chapeltown and/or Little Owls Meanwood.

18 **Little Owls Gipton North** has in recent years seen significant increases in the level of financial subsidy required to remain operational within its current funding model, again in large part due to staffing and recruitment issues and the resultant restriction to the number of childcare places available due to legally required staff/child ratios. The nursery is located within an area well served by childcare settings, including two other Little Owls nurseries, and a mix of childminders and PVI childcare providers offering places all year round to children aged 0-4, including FEEE places for disadvantaged 2-year-olds in both a nearby school setting (1.3 miles), with childminders and private group-based settings, and 3–4-year-olds. Little Owls Harehills and Shepherd's Lane are both in the same CPA as Little Owls Gipton North, located 0.9 and 1.2 miles away respectively.

Analysis undertaken by the Sufficiency and Participation team has determined that there is enough capacity and choice available at other Little Owls nurseries, child minders, schools, and PVIs within the vicinity of Gipton North Little Owls to absorb all the demand for places elsewhere that would be created because of the closure of this nursery. It was also noted that there is a high level of interest amongst private childcare providers to expand their existing high-quality provision to support any additional demand for places in this area. Overall, from a sufficiency perspective, closure of this nursery would be considered low risk.

Gipton North is situated within the priority ward of Gipton and Harehills and over 90% of the children currently on roll live in an area of high deprivation. The nursery also caters to the needs of several children with SEND, including a number who have not yet received a diagnosis. Should the nursery close, there are several PVIs within the locality offering FEEE places for disadvantaged 2-year-olds and 3–4-year-olds. In addition, the Ofsted rated 'Outstanding' provision at nearby Little Owls Shepherds Lane and Ofsted 'Good' rated provision at Little Owls Harehills would remain accessible to families in this area, providing high quality childcare places for all children and particularly those with SEND.

Should Little Owls Gipton North proceed to a closure all children currently provided for there could be accommodated at Little Owls Osmondthorpe or Little Owls Harehills.

- 19 **Little Owls Kentmere** has in recent years seen significant increases in the level of financial subsidy required for it to remain operational within its current funding model, again in large part due to staffing and recruitment issues and the resultant restriction the number of childcare places available due to legally required staff/child ratios. The nursery is located within an area where childcare is predominantly provided by Little Owls settings, with minimal PVI settings offering alternative provision for parents. Little Owls Parklands and Seacroft are both in the same CPA as Kentmere Little Owls, located 1.3 and 1.1 miles away respectively.

Analysis undertaken by the Sufficiency and Participation team determined that planning would need to be in place to ensure Little Owls Parklands and Seacroft both increase capacity in order to maintain current levels of FEEE funded places in the area, including paid for (non-funded) places for under 2-year-olds. This work has been completed by the Service managers in readiness for proposals to progress to implementation.

Kentmere is situated within Killingbeck and Seacroft which is a priority ward and is close to the priority neighbourhood of Boggart Hill. All the children currently on roll at the setting live in an area of high deprivation. The nursery also caters to the needs of several children with SEND, including a number who have not yet received a diagnosis. Should the nursery close, there are some PVIs and school nurseries within the locality, offering FEEE places for disadvantaged 2-year-olds and 3–4-year-olds. In addition, the Ofsted 'Good' rated provisions at Little Owls Parklands and Seacroft would remain accessible to families in this area, providing high quality childcare places for all children and particularly those with SEND.

Should Little Owls Kentmere proceed to a closure all children currently provided for there could be accommodated at Little Owls Seacroft and/or Little Owls Parklands.

Case for retaining.

- 20 There is a recommendation for the Council to continue to operate day care provision at the following settings:

- 21 **Chapelton Little Owls** was rated by Ofsted in 2021 as Outstanding. The setting itself is within Chapel Allerton which is a priority ward and is an area of high deprivation. It is a large provision registered for 92 full time equivalent places (FTE) places, serving the diverse local communities. 61% of the 109 children currently attending live within a one-mile radius of the setting and a sufficiency assessment has determined that the capacity provided by Chapelton is required to prevent to a shortage of childcare places within this CPA. 100% of children attending live in an area with an IMD (Index of Multiple Deprivation) score of 20% or less. A high number of the children attending require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. The setting is also well used by Kinship families. Around 10% of the children on roll have a SEND diagnosis.

Chapelton Little Owls is located within a site that has a full range of family services. The adjacent building is a designated Children's Centre that has been identified as a venue soon to become one of the three Family Hubs for the East. Health visiting and midwifery services are co-located here, as well as the East Family Group Conferencing team. The building is very well used for parenting group work by LCC (Leeds City Council) and 3rd Sector organisations. It is currently viewed as an exemplar of good practice and has received commendation from the DfE (Department for Education) as a result of a number of visits to the site.

Half of the Little Owls building is leased to Leeds Teaching Hospital Trust's (LTHT) Mosaic Nursery which provides a further 70 childcare places. The income from LTHT lease

contributes to the overall costs of the building. The building is owned by LCC and is included in the council's decarbonisation programme.

- 22 **Harehills Little Owls** was rated by Ofsted in 2023 as Good. The setting is situated within the priority ward of Gipton and Harehills and is less than a mile from the Clifton and Nowell's priority neighbourhood. It is registered for 63 FTE places and currently has 78 children on roll. 87% of these children live within a one-mile radius of the setting. 100% of the children attending live in an area with an IMD score of 20% or less. A sufficiency assessment has determined that the capacity provided by Harehills Little Owls is required to meet the potential demand for places within this CPA.

Taking into consideration IMD data, number of children requiring statutory intervention and the low take up of 2yr old free early education entitlement for the 0-4 population living in this child care planning area, Harehills Little Owls scores the highest in terms of priority settings. Currently, there is a very low take up of 2yr old FEEE places by local families. Therefore, this provision, working in partnership with the proposed Family Hub based at Compton Centre is vital to ensuring children living in the area have the best start in life.

Harehills Little Owls shares a purpose-built building with the designated Children's Centres. It is situated on a shared site with the Compton Community Hub, which is one of the sites soon to be developed as one of the three Family Hubs for the East. Strong working partnerships already exist between the Community Hub, Children's Centre and Little Owls and by retaining this early years provision the needs of the diverse local communities can continue to be met.

- 23 **Seacroft Little Owls** was rated by Ofsted as Good in 2022. The setting is situated within Killingbeck and Seacroft which is a priority ward and is close to the priority neighbourhood of Boggart Hill. There is a proposal to market test the nearby Little Owls provision at Parklands and potentially withdraw provision at Parklands after we have explored and identified alternative providers (such as schools or PVIs) that could increase their capacity in the area to ensure sufficiency requirements are maintained and close the provision at Kentmere Little Owls. Considering these plans, a sufficiency assessment has determined that the capacity provided by Seacroft Little Owls is required to prevent a shortage of childcare places within this CPA.

Seacroft Little Owls is a large childcare setting, registered for 124 FTE places and currently has 80 children on roll. 83% of these children live within a one-mile radius of the setting. 100% of the children attending live in an area with an IMD score of 20% or less. If fully staffed, the setting could potentially absorb some of the children currently attending Parklands and Kentmere.

There are already high numbers of children attending that require statutory social work support and the Nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. If the setting prioritised accommodating children from Parklands and Kentmere it would play a critical part in safeguarding young children living in the local area.

Seacroft Little Owls is a purpose-built building. Family Services use the community room to deliver services, but it is not a designated Childrens Centre. It is in close vicinity to Deacon House which has been identified as one of the Family Hub venues.

- 24 **Two Willows Little Owls** was rated by Ofsted in 2022 as Outstanding. The setting is situated within the priority ward of Beeston and Holbeck and is in fairly close proximity of the Crosby St, Receptions, Bartons priority neighbourhood. It is a large provision, serving diverse local communities and is registered with Ofsted for 80FTE places. Currently, there are 111 children on roll of which 80% live within a one-mile radius of the setting. 100% of the children attending

live in an area with an IMD score of 20% or less. A sufficiency assessment has determined that alternative provision is limited in this area, and, as such, the capacity provided by Two Willows Little Owls is required to prevent a shortage of childcare places within this CPA.

The nursery has a reputation for providing high quality care for children with SEND. The council's Special Educational Needs and Inclusion Team regularly signpost families to the provision and, as a result, 13% of the children on roll have a SEND diagnosis and are in receipt of Early Years Funding for Inclusion (EYFFI) or Special Educational Needs and Disabilities Inclusion Funding (SENDIF). Many more children are in the assessment stage. The building is used by Childrens Centre Family Services and is a designated Children's Centre.

25 **New Bewerley Little Owls** was rated by Ofsted as Outstanding in 2023. The setting is situated within the priority ward of Hunslet and Riverside and is less than a mile from the Stratfords and Beverleys priority neighbourhood. In April 2023 the Dewsbury Little Owls closed and both staff and children were moved across to this provision.

26 The setting is registered with Ofsted for 72 FTE places. Currently there are 72 children on roll of which 88% live within a one-mile radius of the setting. 100% of the children attending live in an area with an IMD score of 20% or less.

Taking into consideration IMD data, number of children requiring statutory intervention and the low take up of 2yr old free early education entitlement for the 0-4 population living in this childcare planning area, New Bewerley Little Owls scores the second highest in terms of priority settings. In addition, a sufficiency assessment has determined that the capacity provided by New Bewerley Little Owls is required to prevent a shortage of childcare places within this CPA.

There is a consistently high number of children with SEND attending the Nursery. Due to the limited number of 2yr old FEEE places in the area the nursery has a large intake of 3yr olds with undiagnosed additional needs. The Nursery is integral to New Bewerley Primary School.

27 **Middleton Laurel Bank Little Owls** was rated as Good by Ofsted in 2023. The setting is situated within the priority ward of Middleton Park. In January 2023, the setting absorbed the children and staff from Middleton Over-3's when that setting closed. The intake of 3-year-old places will enable the setting to become much more financially sustainable in the future. There is a large housing development underway in very close proximity. When completed this is likely to increase demand for childcare places in the area.

The setting is registered with Ofsted for 66 FTE places. Currently there are 83 children on roll of which 80% live within a one-mile radius of the setting. 70% of the children attending live in an area with an IMD score of 20% or less.

The childcare planning area in which Middleton Laurel Bank is situated has the highest number of 0-10yr olds subject to a Child in Need/Child Protection Plan (March 2023) compared to all others where there is a Little Owls provision. This means that a high number of the children attending require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk and supporting family plans to improve outcomes. The setting is also well used by Kinship families.

The Nursery shares the building with an LCC Adult Social Care run Day Centre.

28 **Swarcliffe Little Owls** was rated as Good by Ofsted in 2022. The setting is situated within the ward of Crossgates & Whinmoor. Although not classified as a priority ward, it is generally acknowledged that the deprivation data does not accurately reflect the challenges and issues,

including poverty, the local community faces. The Swarcliffe estate is isolated in terms of urban geography and there are few community assets. The team at the Swarcliffe Little Owls work in partnership with the Youth Work team based at the Youth & Community Centre opposite to engage with local young people and address the high incidents of anti-social behaviour. In these particular circumstances it is felt important that this positive Council presence should continue in order to evidence the Council's ongoing commitment to this community by delivering high quality childcare provision so that local families can access training and gain employment.

The setting is registered with Ofsted for 64 FTE places. Currently there are 90 children on roll of which 74% live within a one-mile radius of the setting and a sufficiency assessment has determined that that capacity provided by the setting is needed to meet local demand for childcare places. Half of the children attending live in an area with an IMD score of 20% or less. There is a consistently high number of the children attending that require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. It is also well used by foster families. Swarcliffe is a designated Childrens' Centre.

- 29 **Armley Moor Little Owls** was rated by Ofsted as Good in 2022. The setting is situated within the priority ward of Armley and is close to the Holdforth's, Clyde Approach priority neighbourhood. The setting is registered with Ofsted for 80 FTE places. Currently there are 61 children on roll of which 93% live within a one-mile radius of the setting. 92% of the children attending live in an area with an IMD score of 20% or less.

Armley Moor absorbed the children and staff from Little Owls Chapel Lane nursery when it closed in December 2022 and a sufficiency assessment has determined that the capacity provided by the Armley Moor setting is required to prevent a shortage of childcare places within this CPA.

The childcare planning area in which Armley Moor is situated has the 2nd highest number of 0-10yr olds subject to a Child in Need/Child Protection Plan (March 2023) compared to all others where there is a Little Owls provision. This means that a high number of the children attending require statutory social work support and the nursery plays a significant role in protecting these children, reducing risk, and supporting family plans to improve outcomes. There is a high number of children on roll who have a diagnosed SEND with many more currently being assessed.

- 30 **Little London Little Owls** was rated as Outstanding by Ofsted in 2019. The setting is registered with Ofsted for 92 FTE places. Currently there are 63 children on roll of which 84% live within a one-mile radius of the setting. 72% of the children attending live in an area with an IMD score of 20% or less.

Little Owls shares a purpose-built building with Childrens Centre Family Services and is a designated Childrens Centre. The Nursery is currently under capacity due to staffing challenges but if the proposal to retain is approved, staff from other Little Owls sites could be deployed here to increase the number of 2-year-old places, which would enable the setting to become much more financially sustainable in the future. A sufficiency assessment has also determined that the capacity provided by Little London Little Owls is required to prevent to a shortage of 2-year-old FEEE childcare places within this CPA.

The Nursery has a reputation for providing high quality care for children with SEND. Statutory specialist services regularly signpost families to the provision and as a result 20% of the children on roll have a SEND diagnosis and are in receipt of EYFFI or SENDIF funding. Many more children are in the assessment stage.

Case for Market Sounding Exercise (MSE)

- 31 The remaining 12 Little Owls settings will be subject to a proposed market sounding exercise.
- 32 A market sounding exercise is proposed to consider the future of the Little Owls settings where we believe the Council could withdraw provision from we have explored and identified alternative providers (such as schools or PVIs) that could increase their capacity in the area to ensure sufficiency requirements are maintained. It is important to note that the Council may still continue to operate settings following the Market Sounding Exercise and it will wish to ensure that any alternative provision opportunities that arises from the Market Sounding Exercise are of high quality. The Council will also consider the potential level of fees charged by potential operators and in particular if fee levels would be a barrier to parents and carers taking places at a particular setting (subject to any Subsidy Control assessment).
- 33 There is no statutory requirement upon Councils to directly deliver childcare provision but there is a duty to ensure sufficient childcare to enable parents/carers to work or train. At this stage the Council has not tested the position to establish if another provider is willing to deliver this service in its place.
- 34 Therefore, the market sounding exercise would provide an opportunity to gather insight into whether there are any providers who are interested in taking on the provision and, if so, what delivery model is likely to appeal to them. The information gathered from the market sounding exercise will help inform our thinking, develop our requirements further and support the options appraisal process. A market sounding exercise is not a tender, and as such LCC is not obligated to run a procurement following the market sounding exercise.
- 35 The impact of any changes in Council direct provision on children and families cannot be overstated and whilst notwithstanding that there have previously been changes to the provision and that the Council will seek to do all it can to mitigate impact e.g. by aligning timescales to school transition timescales, and seeking to guarantee places in any initial tranche of changed arrangements, it is clear from the engagement to date that the Council's direct delivery of nursery provision is very important to many families across the city. The engagement has raised a number of considerations around the need to mitigate impact of any agreed changes and to seek to ensure that as much negative impact as possible is minimised. The Council's financial circumstances, as reported elsewhere on the agenda for Executive Board today, and in particular the continuing challenging situation for the Children and Families Directorate however means that all expenditure needs to be reviewed and in particular expenditure which is not directly aligned to it's statutory obligations.

Decision Making

- 36 Whilst this paper provides a broad overview of the proposed arrangements and the consultation and engagement responses received at each setting, it is recognised that there is the potential for different outcomes to be arrived at for each setting included within the 'explore' categorisation, it is therefore recommended that the Director of Children and Families, in consultation with the Executive Member for Children and Families, takes the final decision, on each setting under existing delegated authority.

What impact will this proposal have?

37 Will /could the proposal have implications for any of the following?

Service users / customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Contracts / procurement	Yes
Partners	Yes	Capital programme	Yes
Other LCC services / stakeholders	Yes	Work location / building	Yes
Information technology & IDS capacity	Yes	Equalities	Yes

38 The overall impact of this proposal is to achieve a reduction of in-year and future budget pressures whilst maintaining sufficiency of nursery places throughout the City.

39 HR and Finance and Asset Management colleagues have been fully involved in the review process and provided support and guidance on staffing, financial and asset related issues and implications.

Workforce

40 Each setting will have a mix of staff, usually following the structure set out below:

- Children's Centre Manager with responsibility for a number of settings
- A Daycare Manager with responsibility for a specific setting
- An Assistant Daycar Manager with responsibility for a specific setting
- Dedicated admin support at each setting
- A mix of Nurse Officer and Nursery Assistants at each setting operating on a mix of 'All Year Round' and 'Term Time Only' contracts.

Should the proposals to withdraw from the proposed three settings be agreed there will be an impact upon staff and the Council's overriding Human Resources policies will apply to those staff, including the Council's Managing Staff Reductions Policy, which will require the Council to consider reducing, minimising and mitigating any compulsory redundancy situation. It is to be noted that any staffing implications will only arise upon the final decision on the future of individual settings. Staffing decisions arising from this decision, will be taken in accordance with the Council's Scheme of Delegation.

41 To respond to the Council's financial challenge a Voluntary Leavers Scheme (VLS) was launched across the Children & Families Directorate. Several staff employed within Little Owls settings have expressed and reaffirmed their interest in taking up this offer.

42 Taking staff VLS requests into account along with the significant number of vacancies across the service it is a possibility that staff displaced because of closures could be flexibly deployed within the service, subject to vacancy control measures in place at that time. This may mean they are requested to work in another area of the city.

- 43 A formal consultation process with recognised Trade Unions (TU) representatives will need to take place and be supported by engagement with staff, informal discussions have been undertaken and detail on this is provided at paragraph 63. The service will seek to do all is possible to reduce, minimise and mitigate any compulsory redundancies. The impact of any redundancies will be managed in accordance with the Councils' Managing Staff Reductions Policy.
- 44 It is too early to determine the exact nature of any staffing changes should any settings move to an alternative provider because of the market sounding exercise. TUPE may apply.

LCC Assets

- 45 Where it is determined that Little Owl facilities are closed and the property has been declared surplus to service requirements, Asset Management will review options for the buildings. This will include the potential for operational re-use as part of considerations around the wider locality building review and locality service reviews which are ongoing. Recognising that not all properties are solely used for Little Owl Nursery provision, the re-use of space will need to be compatible with continuing Children's Centre uses and will be subject to ongoing review as part of any further changes to service delivery. Equally, full title due diligence will be required in addition to a review of Sure Start grant funding previously received by the Council and how this is handled should decisions be taken to dispose of a property or use for alternative purposes.
- 46 The potential implications and opportunities that arise from any transfer of existing facilities as a result of the market sounding exercise will need to be addressed in further, more detailed setting specific work. It should be noted that in order to let out a property under a commercial lease, the property must meet a minimum energy efficiency rating of 'E'. This is expected to rise to a 'B' rating by the end of the decade. This will therefore be a consideration in determining whether a property can be leased out, the lease terms and how/ whether any future investment is planned to be delivered.
- 47 Should the proposal be that properties are to be disposed of to new providers, the Council must ensure it meets its Best Consideration requirements as set out in S123 of the Local Government Act 1972. Similar due diligence will be required to that set out where settings are scheduled for closure before any properties can be leased or disposed.

Other

- 48 Families of children in the initial tranche of 'withdrawal' would be given notice, as per their terms and conditions, of any closures once decisions have been made and would be supported to seek alternative provision in other Little Owls sites, which the Service believe could be accommodated at the current time.
- 49 Families would be formally notified of LCC's intention to undertake a market sounding exercise for the 'explore' tranche to explore and identify alternative providers (such as schools or PVIs) that could increase their capacity in the area to ensure sufficiency requirements are maintained.
- 50 Catering Services have been provided informal briefing on proposals and would be notified of the decisions and given notice to withdraw catering services in the event of closures. The Directorate would seek to work with Catering Services on coordinating staff engagement and

TU consultation if appropriate including on any legal employment related matters that may arise.

- 51 Facilities management have been provided informal briefing on proposals and would be notified of the decisions and given notice to terminate services in the event of closures. The Directorate would seek to work with Facilities Management Services on coordinating staff engagement and TU consultation if appropriate including on any legal employment related matters that may arise.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 52 There is a clear and direct link to the Best City Ambition related to Health and Well Being which states that ‘in 2030 Leeds will be a healthy and caring city for everyone: where those who are most likely to experience poverty improve their mental and physical health the fastest, people are living healthy lives for longer, and are supported to thrive from early years to later life.’ It is believed that the ambition to ensure everyone can thrive from early years would continue to be supported by retained provision and by ensuring that provision remains sufficient in individual areas.
- 53 Local Authorities have, by way of the Childcare Act 2006 and the Childcare Act 2016, a duty to secure sufficient childcare to ensure parents can work/train.
- 54 Little Owls work in partnership with the Infant Mental Health Service, Health Visitors, physiotherapy, the child development unit, Special Educational Needs and Inclusion Team (SENIT), Specialist Training in Autism and Raising Standards (STARS), and dental and public health services to ensure a healthy start and supports access to healthcare provision that families may not already be accessing. Therefore, any change &/or reduction of provision may have an impact on children and families of most need.
- 55 Should the current proposals proceed, an ‘Early Years Improvement Model’ would be developed with the Little Owls teachers, aiming to support the market with a free offer of learning to ensure quality in provision. A key objective of this would be to help maintain the good quality in the Little Owls settings that may be taken on by an alternative provider following the MSE, subject to further approvals.
- 56 The provision of high-quality daycare provision aligns with the Children and Families plan priorities and the Child Friendly Leeds ambition by giving children the best start in life, providing a safe and supportive environment for children at risk of child protection issues and supplying sufficient, high quality childcare places for all children particularly those with SEND.

What consultation and engagement has taken place?

Wards affected: Chapel Allerton, Gipton & Harehills, Killingbeck & Seacroft, Hunslet & Riverside, Burmantofts & Richmond Hill, Rothwell, Bramley & Stanningley, Kirkstall, Headingley & Hyde Park

Have ward members been consulted? Yes No

- 57 A finance review of Little Owls was conducted by the Commercial Finance Manager - Procurement and Commercial Services, in 2022. This review, conducted in collaboration with the Early Years team and Finance, focused on Little Owl’s financial performance and highlighted potential strategic options for further exploration. The conclusion of this initial

analysis of the business was that it does not appear possible to eliminate the subsidy to the Service if it is to remain the current size and structure.

58 These proposals have been presented at the Children and Families Delivery Board. Members of the Board are supportive of the formula/criteria used to rank the 24 settings in priority order and of the recommendations for each setting detailed in the table at point 16.

59 The Sufficiency team have been fully consulted and their views have informed these proposals.

60 Public consultation on Leeds City Council's 2024-25 budget proposals, including the Little Owls saving proposal itself, took place between 13 December 2023 and 10 January 2024. Responses received raised concern that the proposed closure of Little Owls settings could result in parents being unable to find alternative provision and, as a result, unemployment may rise. In response, and as detailed above, the review work undertaken in developing these proposals took account of a range of factors, including sufficiency. As such, only 3 of the 24 settings have been proposed for potential withdrawal and/or closure based on evidence that there is sufficient capacity available at other providers, including other Little Owls settings, to fully meet demand in these areas.

61 Between September and February, 'Time to talk' sessions have been undertaken at each Little Owls site with the entire staff team facilitated by the Service Lead. This was an informal opportunity to thank staff for their hard work, acknowledge the pressures within early years, discuss the financial challenge that the Council is facing and enable them to have a voice and share any queries or worries. During each session, and in response to their queries, an overview of the Little Owls review was shared with the workforce, outlining progress to date which incorporated a discussion about the proposal to undertake a market sounding exercise to explore alternative options for the delivery of the Little Owls day care provision at certain Little Owls nursery sites in a more cost-effective way.

62 Trade Union representatives have been briefed on the Review's progress during the monthly Service and Trade Union update meetings. At the meeting of 6th March, a draft of this report was shared for information and comment.

63 Trade Union representatives have provided the following initial comments in response to the Little Owls review work and the proposals detailed in this report;

- It was acknowledged that the Early Start Service management's approach to progressing this review and engaging with the workforce has been very good.
- A concern was raised that staff impacted by the MSR process would be anxious to know the outcome as soon as possible. Early Start Management provided assurance that support mechanisms would be in place for affected staff, including engagement sessions, VIVup, and the 'supporting staff through change toolkit'.
- It was stated that Trade Unions reject closures in general, as they feel that the Council are the best organisation to deliver these services, but they acknowledge the financial challenge the local authority faces.
- The Trade Unions are keen to attend all engagement sessions with staff and to offer staff any required follow up support.
- Regarding staff retention: it was suggested that the recruitment and retention challenges in the Early Years sector could be lessened by offering retention payments to encourage staff to stay with Leeds City Council.
- Unions are keen for the local authority to be transparent and clear about switching / flexible deployment options to avoid Managing Staff Reduction (MSR) and for Voluntary Leavers Scheme (VLS) requests to be supported to enable switching opportunities.
- Requested that details about the MSE process be shared with Unions, as they are keen to ensure that Leeds City Council terms & conditions are made clear to prospective alternative providers to protect staff who may TUPE.

- 64 The Executive Member for Children and Families has been consulted on these proposals and is supportive of proceeding with the recommendations detailed within this report.
- 65 Prior to the recent local election, Councillors from all affected wards have been briefed on the proposals outlined in this report. Further engagement with any newly elected Members will be undertaken.
- 66 For each of the settings included within the ‘withdrawal’ or ‘explore’ categories engagement sessions have been held with parents and carers as detailed in the first table below. These engagement sessions were scheduled at the end of each working day to allow for parents and carers with work or training commitments to attend. In addition a webpage was created which included information on the review and sought to address issues and concerns which were raised during the engagement. The webpage can be accessed at [Little Owls review \(leeds.gov.uk\)](http://leeds.gov.uk). The table sets out attendance at each of the settings.

Day	Time	MSE or Withdrawal	Little Owls Setting	LCC Attendees	Parent & Carer Attendees
Wed 24 th April	6:00 – 7:00pm	Withdrawal	Chapel Allerton	4	19
Mon 29 th April	6:00 – 7:00pm	Withdrawal	Gipton North	4	14
Mon 29 th April	7:00 - 7:45pm	MSE	Meanwood	5	16
Tues 30 th April	6:00 – 6:45pm	MSE	Parklands	5	7
Tues 30 th April	7:00 - 7:45pm	MSE	Osmondthorpe	5	2
Wed 1 st May	6:00 – 7:00pm	Withdrawal	Kentmere	6	4
Wed 1 st May	7:00 - 7:45pm	MSE	St Mary’s Hunslet	5	7
Fri 3 rd May	6:00 – 6:45pm	MSE	Quarry Mount	6	4
Fri 3 rd May	7:00 - 7:45pm	MSE	Hawksworth Wood	6	16
Tues 7 th May	6:00 – 6:45pm	MSE	City & Holbeck	6	5
Tues 7 th May	7:00 - 7:45pm	MSE	Bramley	4	11
Wed 8 th May	6:00 – 6:45pm	MSE	Burley Park	6	9
Wed 8 th May	7:00 - 7:45pm	MSE	Hunslet Rylestone	6	10
Thurs 9 th May	6:00 – 6:45pm	MSE	Shepherd’s Lane	4	9
Thurs 9 th May	7:00 - 7:45pm	MSE	Rothwell	4	8
Total Attendees					141

N.B. At some meetings (notably Chapel Allerton) more people did attend and were visible on screens but aren’t counted as unique attendees.

67 There are a number of broad themes which have been raised by existing parents and carers across the settings, which are detailed in the table below along with the service response:

Issue Raised	Response
There is a general desire that the Council retain the operator of Little Owls nurseries	The rationale for the review is set out above which includes the Council's statutory duty and the financial and staffing challenges faced
The potential for an increase in costs for parents	The financial losses sustained by the Council in the operation of its Little Owls nurseries cannot be sustained. Costs increases at Little Owls occur regularly and are benchmarked against alternative providers therefore costs increases from alternative providers, whilst possible, should not in general terms be significantly more than Little Owls although it is accepted that this may not be the case at all settings. In relation to settings subject to the Market Sounding Exercise, the Council will consider the potential fee levels by potential alternative operators prior to making any decision on alternative operators (subject however to any issues arising from the prevailing subsidy Control legislation)
A lack of alternative provision exists	Sufficiency is a key factor in decision making, the Council is however under no obligation to provide direct provision. For the three settings under consideration for withdrawal/closure the Service is confident that all children currently at a Little Owls Setting could be accommodated at an alternative Little Owls setting.
Like for Like provision (hours and costs) does not exist	This is accepted however the funding constraints faced mean that alternative provision needs to be considered. The Council is however under no obligation to provide direct provision and under no duty to provide 'like for like' provision. However, as outlined above, children currently at a Little Owls setting proposed for closure could be accommodated in another Little Owls setting.
Disruption to children and in particular not aligning potential changes to school transition timescales	Care will be taken to ensure parents and carers are provided sufficient notice of any change to parents/carers. Any potential dates for change will be aligned to school transition dates to allow for minimum disruption. Where a transition is required to a different nursery setting it is hoped that as many children as possible transition to an alternative Little Owls setting so that a seamless transition can occur,

	this is of course however dependent upon the choice of setting/provision by parents and carers.
Potential changes in funding may mean that closures are not required	The Council has continued to invest in Little Owls provision for a long period of time and will continue to do so. The Service does not operate on full cost recovery but is a discretionary service. The cost to the Council of continued 'as is' provision is unsustainable. There are no guarantees of funding from HMG or in policy positions of the main political parties which would mean the Council's subsidy of Little Owls would be significantly reduced.
Can the Council not lobby for additional funding for nurseries	The Council continues to call for local government and this council to be adequately funded. Extensive lobbying has already taken place by councils, the Local Government Association, the early years sector itself, children's charities and parents' groups. However, the government has not responded to requests for additional funding. The council cannot realistically reverse the Little Owls proposals in the expectation of additional central government funding.
A lack of transparency	The Service has responded to all enquiries and all FOIs and provided all information requested. Information has been shared with parents and carers individually and the service has held engagement sessions at each setting. A webpage has been created which seeks to provide responses to 'Frequently Asked Questions'.

68 A full compendium of comments received during the engagement sessions is included at Appendix 1, information relating to individual respondents has been anonymised. Appendix 2 provides an overview of comments/queries received into the Little Owls Review mailbox and shows approximately 75 emails, queries and FOI requests. The recommendations set out earlier in this report have considered the responses received.

69 In addition to the Council undertaken consultation and engagement set out above, a parent/carer-led survey with a total of 46 responses was submitted during the Little Owls review engagement period. This submission has brought forward the following information:

- A petition titled 'Save Little Owls Nurseries' has 661 signatures as at 23 May 2024
- A petition titled 'Prevent the closure of Little Owls Chapel Allerton Nursery Leeds' has 877 signatures as at 23 May 2024
- A petition titled 'Stop the closure of Little owls Gipton North' has a total of 254 signatures as at 23 May 2024

All these submissions called upon the council to not to close the Little owls settings and postpone any decision-making until after the 4th July General Election.

Key points drawn out from the parent/carer led survey findings include the **impact the proposed changes might have on daily routine**, including the following: Parent's commute and travel time; work schedules; personal finances; and disruption to children's routine and wellbeing.

The survey findings also note key themes found in relation to **parent and carers' wellbeing**, including: stress and anxiety; logistical and commuting challenges; financial concerns; impact on children's wellbeing; trust and community; impact at work; and environmental and health implications.

Other key points from the parent/carer led survey findings were made under the following headings:

- **Impact on children** – difficulty with transition; impact on Special Educational Needs and Disabilities (SEND); emotional and Social Impact; stability and Routine; logistical concerns; financial and employment implications; and long-term effects.
- **Availability (of alternative childcare options)** - Limited Options; High Costs; Inadequate Hours; Long Waiting Lists; Quality Concerns; Geographical Limitations; Lack of Flexibility; and Insufficient Information about available childcare options, including costs, hours, and quality.
- **Cost** – High costs; Rising Prices; Complex Fee Structures; Limited Affordability; Inaccurate Information; and Impact on Vulnerable Children.

The parent/carer led survey provides details of suggestions made by parents and carers to the council, as follows:

1. **Clearer Communication and Transparency:** Parents call for a detailed timeline and transparent communication from the council regarding the proposed process and criteria for selecting new providers. They want clarity on when the market exercise is due to start and end, the requirements for new providers, and how cost changes will be managed.
2. **Guarantee of Quality and Cost:** Ensuring that nurseries maintain the same quality of care and affordability. Parents want transparency around fees to allow for financial planning.
3. **Consideration for SEND:** Parents emphasise the importance of maintaining provisions for children with SEND
4. **Stability for Staff and Children:** There is a desire for continuity in staffing to minimise disruption for children.
5. **Financial and Practical Support:** Suggestions include considering modest fee increases, providing financial transparency, and exploring alternative funding options. Parents also propose fundraising and other income-generating activities to support nurseries.
6. **Impact Minimisation:** Parents want as little change as possible, advocating for the continuation of current nursery practices and maintaining established relationships between staff and children.
7. **Engagement and Feedback:** Greater collaboration with parents and incorporating their feedback into decision-making processes. Parents feel their voices have not been adequately considered.
8. **Alternative Solutions:** Exploring other cost-saving measures within the council, such as reducing senior management salaries, improving waste management, and investing in energy-efficient building improvements.
9. **Lobbying for Government Support:** Working with trade unions and community campaigns to demand adequate funding from central government to support nurseries.

10. **Long-Term Viability:** Suggestions include reassessing the decision to close nurseries, developing recruitment and retention strategies for staff, and considering partnerships with charities or community groups alongside council-run Little Owls nurseries.

11. Other Specific Suggestions:

- Utilising nursery facilities for additional commercial activities.
- Ensuring continuous engagement and clear information throughout the transition process.

70 If the recommendations detailed in this report are approved a market sounding exercise will be carried out to understand where providers are keen to grow their business and gauge the level of interest from alternative providers (such as schools and PVIs) to increase their capacity in impacted areas to ensure sufficiency requirements are maintained. Further bespoke work will then need to be undertaken regarding potential changes at an individual setting level. This will involve engagement with a range of stakeholders including staff, parents, and other providers (including schools).

71 Depending on the outcome of the market sounding exercise, there are likely to be further setting specific recommendations regarding subsequent commissioning, procurement and/or lease arrangements required. These bespoke arrangements will be the subject of further decisions to be considered by the Director of Children and Families and presented as consequential decisions linked to this decision.

What are the resource implications?

72 The proposal aims to deliver a full year saving of £900,000 in 2024/25 in addition to eliminating the overspend. This saving has been assumed in the budgeted position for 2024/25 that was approved by full council. There are expected to be limited costs associated with any HR changes and any building related issues which may need to be addressed.

73 At this stage, and until further detailed work is undertaken at an individual setting level, there is no allowance for any issues associated with significant clawback of grant which may have been used to initially bring the provision on stream.

74 Subject the approval the withdrawal and/or closure from the Gipton North setting would achieve a full year saving of approximately £303,000.

75 Subject the approval the withdrawal and/or closure from the Chapel Allerton setting would achieve a full year saving of approximately £141,000.

76 Subject the approval the withdrawal and/or closure from the Kentmere setting would achieve a full year saving of approximately £94,000.

77 Therefore, the total saving across the 3 sites would be potentially £538,000. This is based on the budgets set for each of these sites for 2024/25 as approved by full council as part of the overall council budget. These assume full year savings at each site, therefore the cost of any delays, or associated costs with implementing these closures would reduce the saving that could be achieved in 2024/25.

78 As detailed above it is anticipated that affected staff would be released on VLS or, subject to vacancy control measures, flexibly deployed elsewhere. Therefore, as detailed above limited costs are expected in relation to HR changes.

- 79 In addition, it is anticipated that there will be the potential for additional income to be generated in the retained settings due to the possible redeployment of staff, leading to increased capacity and the potential for the displaced children to be occupied in the retained settings, which will help them to become more financially sustainable.
- 80 The withdrawal of provision of Little Owls may present an opportunity to explore the potential to lease or sell the vacated Little Owls buildings. However, until we have identified providers that have expressed an interest via the market sounding exercise, we will not know which specific buildings this would include and what the options are for that specific building.

What are the key risks and how are they being managed?

- 81 There is a risk of reputational damage to the Council by ceasing to provide direct provision to families. However, it is expected that the detailed work on factors affecting any provision, most notably sufficiency, will mitigate this risk.
- 82 There is a risk that staff and Trade Unions are not supportive of the proposed actions. This will be mitigated through early engagement and consultation and compliance with relevant legislation and the Council's HR policies and processes.
- 83 There is a risk that the uncertainties resulting from these proposed changes will further exacerbate existing staff recruitment and retention issues.
- 84 There is a financial risk that the full anticipated savings will not be delivered in full. It will be key that this proposal is delivered at pace whilst also ensuring real and meaningful consultation and engagement is undertaken.
- 85 There is a risk that there is no appetite from the childcare market to increase their capacity in certain areas/settings to ensure sufficiency requirements are maintained. Where this is the case, the Council will need to continue to be the provider pending further exploration of alternative delivery models.

What are the legal implications?

- 86 Legal implications are as set out in the main body of this report – namely employment issues, disposal, and our statutory duties. The full extent of these implications is dependent on the outcome of the market sounding exercise.
- 87 No other legal issues have been identified, although work with Legal, and Procurement and Commercial Services colleagues continues.
- 88 This report does not contain exempt information under Access to Information. The decision is subject to call in.
- 89 Legal implications of recommendations arising from the next stage of work will be detailed in future reports.
- 90 However, it should be noted that clawback of Children's Centre funding is due on all assets which are no longer used for the delivery of Children's centre services as funded. This includes day care provision funded by Children's centre capital. Between 8-10 years remain on this clause depending on the time of designation.

Options, timescales and measuring success

What other options were considered?

- 91 Due to the current finance challenge Leeds City Council is experiencing, the proposals detailed in this report were the only available options sufficient to address the current overspend whilst still ensuring the Council meets its Early Years childcare sufficiency duty.

How will success be measured?

- 92 If a setting closes, success will be measured through transition effectiveness, with minimum disruption for children, families, and staff.
- 93 The sufficiency of Early years places would continue to be monitored to ensure that the proposals, if approved, still allow Little Owls to contribute towards the ambition to ensure everyone can thrive from early years by ensuring that provision remains sufficient in individual areas.
- 94 For the desired savings to be achieved and an overall reduction in the Little Owls budget pressure 2024/25.
- 95 Where settings are to be kept by the Council, that these become more sustainable over the medium term.

What is the timetable and who will be responsible for implementation?

- 96 The Director of Children and Families has delegated authority in relation to early year's provision and is therefore authorised to take the decisions necessary to give effect to these proposals.
- 97 An item was published to the List of Forthcoming Key Decisions on Friday 22nd December 2023, meaning that the earliest date a key decision could be taken is Monday 22nd January 2024. Therefore any decisions emanating from this report could now be taken.
- 98 Subject to approval, there would be no withdrawal and/or closure from the Chapel Allerton, Gipton North and Kentmere until August 2024 to allow for easier transition of children to school settings (avoiding any need to repeated disruption to childcare arrangements).
- 99 Subject to approval, the market sounding exercise will open in July for a four-week period. It will be led by colleagues from the Procurement and Commercial Service and Commissioning teams, with its findings and recommendations for the 12 settings within its scope the subject of further decisions to be considered by the Director of Children and Families and presented as consequential decisions linked to this decision.

Appendices

- Appendix 1 Consultation and Engagement, all comments
- Appendix 2 Comments/Queries into Little Owls Review Mailbox
- Appendix 3 EDCI Assessment

Background papers

- None